

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF)	CASE NO.
BOONE COUNTY WATER DISTRICT)	2016-00389

ORDER

On November 9, 2016, Boone County Water District ("Boone District") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹ On November 21, 2016, Boone District filed a letter requesting to amend the proposed purchased water adjustment factor in the application from \$0.16 per 1,000 gallons to \$0.17 per 1,000 gallons.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Boone District purchases water from Boone-Florence Water Commission ("Boone-Florence").
2. In a letter delivered Oct. 22, 2016, Boone-Florence notified Boone District, that Boone-Florence's wholesale rate to Boone District would increase from \$3.03 per 1,000 gallons to \$3.18 per 1,000 gallons effective January 1, 2016. Boone District proposes to increase the water rates to its customers effective December 1, 2016, to reflect the increased cost of purchased water.

¹ KRS 278.015; 807 KAR 5:068.

3. Boone District proposes a purchased water adjustment factor of \$0.17 per 1,000 gallons.

4. During the 12 months ended August 31, 2016, Boone District purchased 2,672,622,700 gallons of water from Boone-Florence. During the same period, Boone District sold 2,429,662,782 gallons of water. The increase in the cost of purchased water is \$400,893.41, resulting in a purchased water adjustment factor of \$0.17 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.17 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just and reasonable and should be approved.

6. Boone District's rates proposed in the application, based on a purchased water adjustment factor of \$0.16 per 1,000 gallons, should be denied.

7. The rates as set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service rendered by Boone District on and after December 1, 2016.

IT IS THEREFORE ORDERED that:

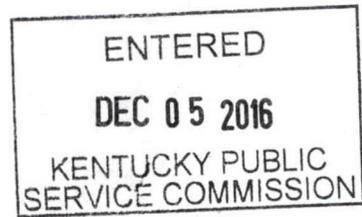
1. The purchased water adjustment factor of \$0.17 per 1,000 gallons is approved.

2. Boone District's rates proposed in the application are denied.

3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Boone District on and after December 1, 2016.

4. Within 20 days of the date of this Order, Boone District shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2016-00389 DATED **DEC 05 2016**

	New Rate	Base Rate
Boone District		
Purchases in gallons	2,672,622,700	2,672,622,700
Volumetric rate	\$ <u>3.18/1,000</u>	\$ <u>3.03/1,000</u>
	\$ 8,498,940.19	\$ 8,098,046.78

Increased water cost \$ 400,893.41

Increased water cost	\$ 400,893.41
Divided by gallons sold/1,000	<u>2,429,662,782</u>
Purchased water adjustment factor	\$ 0.16499

or \$ 0.17 per 1,000 gallons

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